



## Unilever's commitment to an HFC free future

### Introduction

My name is Gino Coronato, VP Global Marketing for Unilever ice cream, and I've been asked to present to you today Unilever's commitment towards an HFC free future for refrigeration.

So, why would a Unilever marketing man be talking about working together with competitors such as Coke & McDonalds on refrigeration? And why would consumers be remotely interested in something (if the techies will forgive me!) as boring as freezer technology?

Well, allow me to give you a marketers perspective on this initiative, because I believe that it makes good environmental and good marketing sense.

The marketing world is rapidly changing and becoming more challenging. Consumers are increasingly bringing their views as citizens into their buying decisions and demanding more from the companies behind the brands. They want companies and brands they can trust and have confidence in.

Dialogues with stakeholders, such as Greenpeace and UNEP, can help us to better understand these wider societal concerns; our challenge is to find practical solutions to appropriately incorporate and reflect these wider societal concerns within our business strategy and our brands.

Indeed, I would contend that environmental and social considerations have always been part of Unilever's operating tradition and heritage. This has been reinforced by the launch of the new Unilever Vitality Mission and brand - to add vitality to life. Our goal is to meet everyday needs for nutrition, hygiene and personal care with brands that help people feel good, look good and get more out of life. This combined with the new Unilever logo is a powerful symbol and demonstration that we are accountable for the differences we make on a daily basis to our consumers , our employees as well as the communities and environment in which we operate.

As part of this broader commitment, Unilever sought to integrate into its business strategy a number of social and environmental initiatives in areas where we believe that we can make a significant impact and can act as a driver for change.

We have, for example, been promoting more sustainable methods of agriculture and fisheries as well as the conservation of water and other natural resources.

I very much see this initiative - to promote the progressive move towards HFC-free refrigeration in this context - that is helping to make our business and the world around us more sustainable in the long term.

We also believe that we can use these initiatives as a positive means to demonstrate to our consumers how we engage with issues which have an impact on all of us, such as global warming.

Unilever's ice cream business worldwide is represented by a heart - which by the way is the most recognised ice cream logo in the world. With this heart we have a perfect platform to demonstrate "care" - for the environment and the world.

As market leader in ice cream, we are committed to lead this initiative and as far as I know we are the first company to use hydro carbon cabinets on a large scale for commercial freezing.

Now, where I believe our marketeers can (and need to) play a big role is in combining environmentally friendly innovative technology with great brand design and communication. This premis is based upon the belief that great brand design appeals to both the rational and emotional side of our consumers.

A good example of great brand design combined with innovative alternative environmentally friendly technology is what we call our "New Generation Selling System" cabinet, or NGSS to the cognoscenti (show pic). This visimax freezer works on Hydro Carbon, and as such combines ecofriendly technology with a great "sexy" cabinet design that excites and invites consumers to get closer and try what's inside.

Another good example is the world's first prototype of the "Sounds Cool" thermo-acoustic cabinet that Ben & Jerry has developed together with Penn State University.

Although this is an apparently standard cabinet, it works on sound waves. My colleagues at B&J usually say to me "Hey, ice cream ain't rocket science". Well, maybe in this case for once it is, or at least it sounds it to a humble marketing man like myself.

Ben & Jerry's have used their usual inspirational way of brand communication - joy for the belly & the soul - to generate a huge public interest for environmentally friendly freezing technology by asking consumers "wouldn't it be cool if the music of the Grateful Dead could keep Cherry Garcia ice cream

cold"? Just to give you an idea of how this appeals to consumers - this initiative generated so much traffic on the Ben & Jerry website, that the Unilever servers almost maxed out!

Unilever's ice cream business operates nearly 2 million freezers around the world and we require excellence in refrigeration as a means to remain competitive. We can exercise quite some degree of influence within our market, and at the same time invest considerable internal and external expertise to work on addressing environmental concerns.

We believe that by demonstrating leadership in this area, we can increasingly influence our competitors and suppliers to also act on issues like this and move to alternative refrigeration.

### Our Commitment and Vision

So what of our commitment and vision? In 1995 Unilever stopped buying new CFC/HCFC refrigerated cabinets, followed in 1997 with the development of Hydrocarbon cabinets. 1999 saw the introduction of a global policy for the controlled disposal of cabinets containing (H)CFC refrigerants.

In 2000, Greenpeace challenged us, together with Coca Cola and McDonalds, to make the Sydney Olympics "green." This was followed by a commitment by us to stop buying new HFC cabinets by 2005 where there are alternatives that are commercially viable and legally accepted.

I'm pleased to be able to announce that, by the end of 2004 - well ahead of our commitment - we will have close to 15,000 HC units on the market in Europe, with another 80,000 units planned worldwide by the end of next year.

Over the course of the next 8-10 years we expect to be able to replace most of our existing HFC cabinets with HC cabinets.

The development of the Ben & Jerry's thermo-acoustic refrigeration unit I spoke about before started in 2002, and in April of this year we presented the first working prototype in New York. This will now be further developed and we are keeping our fingers crossed that it will be successful.

During this year's Olympics in Greece, we will also test 5 solar-assisted battery-powered HC cabinets, and are in advanced stages of developing an ice cream delivery van working with CO<sub>2</sub> (carbondioxide) refrigeration.

I would like to take this opportunity to thank our suppliers - Calor Gas, Danfoss, Caravell, the Danish Technology Institute, Austria Haus Technik, IARP and Penn State University - for pioneering with us in these initiatives and by also investing considerable resource into alternative refrigeration.

You will be able to see all the alternative refrigeration technologies I mentioned during lunch in the exhibition area.

So conclude - what's next? First of all, hydrocarbons will be our major focus in the near future, as this is where we believe we can make the most impact on reducing global warming.

Alternatives such as thermo-acoustics will continue to be tested particularly for the US where hydrocarbons have not yet been approved for use in domestic or commercial appliances of this type.

Next to introducing new alternative technologies as they become viable for our business, we are also committed to take actions to significantly reduce the energy consumption of our freezing cabinets.

I'm proud to say that our Ice Cream business is contributing fully to Unilever's corporate initiatives on the environment. We put our neck out when committing to an HFC-free future for our cabinets in 1999, but a combination of support from suppliers, NGOs and many people in our organisation has meant that we are able to start delivering on our commitment earlier than planned, and we fully expect to meet our global goal next year.

But it doesn't stop there, and I hope that we, together with our partners of Coca Cola and McDonalds, will be standing here again in a few years time to an even larger audience of suppliers and competitors that have understood the opportunity of marketing alternative refrigeration technologies.

Thank you.